

REPORT

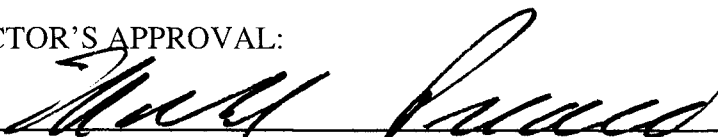
DATE: July 15, 2004

TO: Administration Committee
Regional Council

FROM: Chief Counsel

SUBJECT: Disposition of the Rideshare and TranStar Program and Assets

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDATION: Authorization for the Executive Director to terminate the TranStar License Agreement with The Partnership and to enter into appropriate agreements including a Memorandum of Understanding with the County Transportation Commissions to finally dispose of the Rideshare and TranStar programs and Assets.

BACKGROUND: In prior years, SCAG had, pursuant to various agreements with the County Transportation Commissions (CTCs), been operating a rideshare program. As of June 30, 2003, the agreements by which SCAG operated the Rideshare programs expired. Under the terms of those agreements, SCAG and the CTCs were to determine the appropriate disposition of the various assets of the programs, including the software, hardware and data which were utilized and/or developed as part of the programs. The CTCs essentially requested that these capital goods and assets be returned to the CTCs. SCAG has provided much of the material requested. There remain just a few areas to be worked out as some of the equipment requested by the CTCs, SCAG believes was not funded by the rideshare program and therefore is not appropriate to provide to the CTCs. SCAG staff has provided to the CTCs information regarding these matters and is awaiting a response from the CTCs. There are only a few items which are the subject of on-going discussions. Attached is a copy of the Capital Goods and Assets Exhibit which was prepared by the CTCs to illustrate the nature of the assets which are finally being disposed of.

Additionally, in approximately 2002, a dispute arose as to the ownership of TranStar, a transit itinerary system which SCAG had been operating. Indeed, SCAG had entered into a number of agreements, both license agreements and service agreements, with various agencies, including agencies in New York, San Francisco, Ventura County Transportation Commission and various transit entities in the SCAG region. Some of those agreements required that SCAG continue to provide service through June 30, 2004 and contained various terms for renewal of the services. SCAG in its financial plan, which was approved by Caltrans, committed to cease its operation of TranStar as of June 30, 2003 and to transition the activities to other entities. SCAG noted, as a part of that transition plan, that it would utilize The Southern California Economic Partnership, a non-profit entity to fulfill SCAG continuing obligations to operate TranStar. The issue of ownership of TranStar had never been fully settled with the CTCs, however, SCAG and the CTCs had agreed to negotiate the issue over time.

Various correspondence and discussions took place in 2003, including a letter dated June 20, 2003 from the Executive Director to the various Chief Executive Officers of the CTCs outlining SCAG's proposed resolution to have The Partnership assume SCAG's obligations to provide

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services for TranStar and that The Partnership would be provided the opportunity to seek other business, in order to develop a viable business plan for itself. This proposal was later incorporated as part of a proposed Memorandum of Understanding which SCAG prepared and circulated to the CTCs on June 30, 2003. Discussions at the time focused mainly upon the appropriate disposition of the various Rideshare related programs, rather than the TranStar matters.

In order to meet its commitment to transition TranStar away from SCAG, The Regional Council at its July 31, 2003 meeting, authorized the Executive Director to enter into appropriate agreements to transition TranStar and Rideshare related programs. SCAG had The Partnership operate and assume those responsibilities. This was documented in a License Agreement between The Partnership and SCAG. However, the License Agreement clearly and explicitly recognized that there was a possibility that SCAG could encounter issues relating to the use and operation of TranStar that might require the use of TranStar to be terminated and provided that SCAG could then, upon written notice, terminate the License Agreement. Additionally, in order to minimize any possible liability The Partnership might encounter as a result of a termination, The Partnership was limited to entering into agreements which provided a 90 day termination period.

The CTCs have objected to the License Agreement with The Partnership and have requested that SCAG terminate that agreement. The Executive Director has provided the written notice to The Partnership indicating SCAG's intent to terminate, subject to action by the Regional Council but also indicated that The Partnership should fulfill its continuing obligations. In return, The Partnership has committed that it will not seek any new business within the region.

To finally settle the dispute, the CTCs have proposed that whatever ownership rights they have be assigned to SCAG. Under the terms of their proposal, SCAG would own TranStar, however, it may not sell or assign ownership of TranStar but may license TranStar to non-profit or public entities for non-commercial uses and must ensure that in license agreements which are entered into, no sublicensing or copies of TranStar are made available. SCAG must provide any enhancements or upgrades to the CTCs free of charge. Additionally, the CTCs would have the right to use TranStar for their own purposes. SCAG would be required to indemnify the CTCs for any liability arising out of the use of TranStar by SCAG or any third party. The CTCs would recognize the existing license agreements that SCAG has with MTC and New York and would not object to those agreements. A few clarifying details regarding the terms the CTCs proposed are still under discussion, however, the framework, which has been outlined above, has been agreed upon at the staff level.

It is recommended that the Executive Director be authorized to terminate the License Agreement with The Partnership, with an effective date of June 30, 2004 and that he be authorized to enter into appropriate agreements, including a Memorandum of Understanding with the CTCs upon substantially the terms and conditions outlined above. Additionally, after the execution of an MOU with the CTCs it maybe necessary to further document the terms under which The Partnership will fulfill its existing obligations, that would be done after coordinating with the CTCs.

EXHIBIT 1

CAPITAL GOODS AND ASSETS

Updated October 15, 2003 by RCTC

(SCAG to Update Exhibit)

<i>SCAG TO RETAIN</i>	<i>RETURN TO CTC'S</i>	<i>ITEM DESCRIPTION</i>	<i>NOTES</i>
		SOFTWARE APPLICATIONS	
	X	1. RideStar	Completed: Source Code given to MTA – No copies retained
	X	2. ROLA	Completed: Source Code given to MTA – No copies retained
	X	3. WINROLA	Completed: Source Code given to MTA – No copies retained
	X	4. Automated AVR Survey (MSRC)	Status unclear, SCAG to clarify
	X	5. Density Maps	Completed: Source Code given to MTA – No copies retained
X		6. RTDIE	Completed: Licensed to Users
		WEB APPLICATIONS	
	X	1. www.socalcommute.org	Completed: URL Transferred to MTA
	X	2. SoCalCommute HTML/ASP	Completed: Source Code given to MTA – No copies retained
	X	3. TrafficBee (Commuter Channel)	Completed: Source Code given to MTA – No copies retained
	X	4. VanPool Web	Completed: Source Code given to MTA – No copies retained
		OFFICE FURNITURE/COMPUTER HARDWARE	
	X	1. VAX Computer	RideStar mainframe
	X	2. Web Server	SoCalCommute website
X		3. Furniture	SCAG to detail
X		4. Office Equipment	SCAG to detail
	X	5. RideGuide Laser Printers (2)	SCAG to detail, MTA to pick-up

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<i>SCAG TO RETAIN</i>	<i>RETURN TO CTC'S</i>	<i>ITEM DESCRIPTION</i>	<i>NOTES</i>
	X	6. Map Server (?)	SCAG to detail, MTA to pick-up
	X	7. Lg Format Map Printer (ink jet)	SCAG to detail, MTA to pick-up
	X	8. Laptop Computers (8)	Completed
X		9. Laptop Computers (4)	Completed
	X	10. Teleservices Telephone Bank	SCAG to detail, MTA to pick-up
	X	11. ROLA Dial-in Modem System	SCAG to detail, MTA to pick-up
		COMPUTER SOFTWARE LICENSES	
	X	1. VAX	SCAG to detail operating system and other software programs, MTA to pick-up
	X	2. Laptop Computers (8)	Completed
X		3. Laptop Computers (4)	Completed
	?	4. Thomas Bros. Maps (RideStar)	SCAG to detail terms and costs of license agreement? Has it been cancelled or can it be transferred to CTC's?
	X	6. CONNX Communications	SCAG to detail. Is this related to ROLA operating system?
		DATABASES	
	X	1. RideStar Employer Worksites Data	Completed: Data given to MTA – No copies retained
	X	2. RideStar Registrants Data	Completed: Data given to MTA – No copies retained
	X	3. Vanpool Data	Completed: Data given to MTA – No copies retained
	X	4. Vanpool Rebate Data	Completed: Data given to MTA – No copies retained
X	X	5. Park & Ride Data	Completed: Data given to MTA
	X	6. AVR Data	Completed: Data given to MTA – No copies retained

<i>SCAG TO RETAIN</i>	<i>RETURN TO CTC'S</i>	<i>ITEM DESCRIPTION</i>	<i>NOTES</i>
		DOCUMENTATION	
X	X	1. System Application	SCAG to clarify and provide details. Status unclear.
X	X	2. Application Software	SCAG to clarify and provide details. Status unclear.
X	X	3. Processing Procedures	SCAG to clarify and provide details. Status unclear.
X	X	4. Operation Procedures	SCAG to clarify and provide details. Status unclear.
X	X	5. Network Configuration	SCAG to clarify and provide details. Status unclear.
X	X	6. User Guides	SCAG to clarify and provide details. Status unclear.
	X	7. Rideshare Marketing Materials	Completed
X	X	8. Function Support	SCAG to clarify and provide details. Status unclear.
X		9. Correspondence	Completed
X		10. History	Completed

EXHIBIT 2

TRANSTAR ASSETS

Updated October 15, 2003 By RCTC

(SCAG to Update Exhibit)

<i>SCAG TO RETAIN</i>	<i>RETURN TO CTC'S</i>	<i>ITEM DESCRIPTION</i>	<i>NOTES</i>
		SOFTWARE APPLICATIONS	
X		1. TranStar	Licensed to Users
		SUPPORT SERVICES HARDWARE	
X		1. TranStar Tech Support Line Telephone Number	Completed
X		2. TranStar Dial-In Modem Bank	SCAG to detail
		COMPUTER HARDWARE	
X		1. TranStar Web Servers	SCAG to detail number, type and purpose
X		2. TranStar Printers	SCAG to detail number, type and purpose
X		3. ALPHA Computer	TranStar mainframe
		COMPUTER SOFTWARE LICENSES	
X		2. ALPHA	SCAG to detail operating system and other software programs such as Visual Basic and FoxPro, Windows 2000, etc.

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EXHIBIT 3

TRANSTAR AGREEMENTS

Updated _____, 2003 by SCAG

(SCAG to Complete Exhibit)

<i>AGREEMENT TYPE</i>	<i>LICENSE DESCRIPTION</i>	<i>AGREEMENT TERMS</i>
SERVICE:		
1. Omnitrans		
2. Riverside Transit Agency		
3. ASI		
4. Long Beach Transit		
5. Santa Barbara Transit		
6. Ventura County Transportation Commission		
7. CDS Net (Los Angeles)		
8. Metrolink		
9. Los Angeles County- DPSS		
10. Los Angeles County – Seniors		
11. Foothill Transit Agency		
12. Jacksonville, Florida		
13. Atlanta, Georgia		
14. Houston, Texas		
SUPPORT:		
1. Denver, Colorado		
2. MTC (San Francisco)		
3. New York DOT		